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SUBJECT: CENTRALIZED POWER REMAINS THE RULE AS BANGKOK HOLDS THE
PURSE STRINGS

REF: A. A) BANGKOK 3623 (THE END OF CEO BUDGETS)

[1](#)B. B) CHIANG MAI 41 (CHOKING IN CHIANG MAI)

[1](#)C. C) (05) CHIANG MAI 233 (DEVELOPMENT DESIGNED IN BANGKOK)

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[1](#)1. Summary: While modest efforts during the past two decades to loosen central government control over local jurisdictions succeeded in devolving a few administrative functions such as road building to the local level, power has remained concentrated in Bangkok. Former Prime Minister Thaksin Shinawatra's policies tightened control over local budgets through the CEO Governor scheme. With the current interim government and political parties focused on other issues, local autonomy and decision making are still a long way off. End summary

[1](#)2. Thailand's governmental system is highly centralized, with governors appointed from the ranks of the Ministry of Interior (MOI) to preside over each of the 75 provinces. Officials responsible at the provincial level for issues such as health, education, and natural resources are also appointed by Bangkok. Periodic calls to strengthen the capacity of local government achieved some success in the 1990s and under the 1997 constitution. Elected heads of Provincial Administrative Organizations (PAOs) were given more power in an effort to appease demands for direct election of governors and local executive heads were to be directly elected by mid-2005, with duties and revenues steadily devolving to local authorities.

[1](#)3. Thaksin muddled this process when he created the "CEO Governor" system (ref a). While in theory CEA governors received increased funds to use at local discretion, in reality these budgets were subject to instructions from Bangkok and demands from MPs. According to Chiang Mai University local government expert Dr. Thanet Charoenmuang, this "de facto re-centralization" gave Thaksin's party influence over local budgeting decisions and contributed to TRT's 2005 landslide victory.

--- Mangoes on Order ---

[1](#)4. Affirming that "Thaksin had no intention to decentralize," Phrae PAO president Dr. Chanchai Silapaouychai described how the then-Prime Minister ensured that much of the budget went to projects selected by the party's parliamentarians. In Phrae, for example, TRT parliamentarian Worawat Eua-apinyakul insisted that the province spend 60 million baht to build a factory for drying mangoes. Reminded that mangoes do not grow in Phrae, the MP responded, "we'll plant them".

[1](#)5. Another MP-generated project used 30 million baht in CEO budget funds in a misguided effort to convert Phrae farmers away from growing the local sticky rice to producing non-local hom

mali rice for export. In the end, the farmers could not get a good price for their rice because the government could not guarantee it as authentic hom mali. Meanwhile, the reduced acreage planted in sticky rice sent prices up, hurting Phrae consumers forced to pay more for a staple of their diet.

--- Reverse Revenue Sharing ---

¶16. Heavily dependent on central government subsidies, local governments must acquiesce to mandates from Bangkok, including kick back "donations" to government projects. According to Dr. Thanet, in 2006 every Tambon Administrative Organization (TAO or Or-Bor-Tor) in Chiang Mai province was told to set aside 6 percent out its annual budget for such contributions, with each TAO donating an average of USD 150 to the Ministry of Agriculture's Royal Flora Rajapreuk expo. This three-month long international expo, which closed Jan. 31, recently returned to the headlines with renewed complaints about lack of local participation on future uses of the site.

¶17. Accountability is another victim of rule from afar and weak local government. Pressed to explain which administrative jurisdiction she would go to with pollution concerns, one local citizen acknowledged she would turn to "an office where I knew someone." In fact, Chiang Mai relationships and rivalries often override other factors: one brother of the former mayor was an influential TRT parliamentarian under the Thaksin government while another brother served as deputy to the PAO President, a Thaksin foe.

--- No Plans to Delegate ---

¶18. While citing these examples from Thaksin's time, both Dr. Chanchai and his Chiang Mai counterpart, PAO president Thawatwong Na Chiengmai, expressed little faith that the interim government is any more willing to delegate power. "If this government understands power sharing," he said, "they are not doing anything about it."

¶19. Such skepticism was further strengthened when Council for

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National Security (CNS) Chief Gen. Sonthi Bunyaratkalin proposed that the terms of sub-district heads (kamnan) be extended from 5 to 10 years, a move seen as an effort to expand the political influence of MOI officials at all levels, from village heads through governors. From a political point of view, the change would also help counter the parallel structure of thousands of elected Tambon Administrative Organizations throughout the country, balancing the power that Thai Rak Thai reportedly still wields over this competing power structure.

¶10. Comment: Chiang Mai's pollution crisis in March (ref b) showed the confused lines of authority that make it easy for local authorities to dodge accountability while the lack of local participation in plans for the Night Safari (ref c), Rajapreuk, and other Thaksin-supported development at the foot of Doi Suthep saddled the area with failed tourism projects. Most decision making remains centralized in the capital, far from local view or influence. With neither those in power nor those contesting for power particularly interested in changing the situation, Chiang Mai and other provinces will continue marching to Bangkok's beat.

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